

SL: Unemployment essay

a) Distinguish between demand deficient unemployment and structural unemployment

Define unemployment

Define equilibrium and disequilibrium unemployment

Define and describe demand deficient unemployment

Define derived demand

Explain causes of demand deficient unemployment

Diagram(s) demand deficient unemployment and possibly AD/AS

Define and describe structural unemployment

Explain causes of structural unemployment

Diagram of equilibrium unemployment

Examples

b) Evaluate the use of demand management policies in reducing unemployment

Describe aim of demand management policies

Diagram AD/AS showing shift out of AD

Relate to demand for labour

Describe various demand management policies- fiscal, monetary, x-rate policies

Evaluation could include negative effects of above, long term - short term effects etc

a) Distinguish between real wage rate unemployment and structural unemployment

Define unemployment

Define equilibrium and disequilibrium unemployment

Define and describe real wage rate unemployment

Explain causes of real wage rate unemployment

Diagram and explanation of real wage rate unemployment

Define and describe structural unemployment

Explain causes of structural unemployment

Diagram of equilibrium unemployment

Examples

b) Evaluate the use of fiscal policy in reducing unemployment

Describe fiscal policy

Diagram AD/AS showing shift out of AD and AS

Describe how fiscal policy can be used to increase AD and AS

Evaluation could include negative effects of above, long term - short term effects etc